

**Functional Series 600 Budget and Finance**  
**ADS Chapter 621: OBLIGATIONS (Formerly ADS 571)**

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- b. 31 U.S. Code 1301 - Application
- c. 31 U.S. Code 1341 - Limitations on Expending and Obligating Amounts
- d. 31 U.S. Code 1501 – Documentary Evidence Required for Government Obligations
- e. 31 U.S. Code 1502 – Balances Available
- f. 31 U.S. Code 1552 – Procedures for Appropriation Accounts Available for Definite Periods
- g. 31 U.S. Code 1554 – Audit, Control and Reporting
- h. OMB Circular A-34 – Instructions on Budget Execution
- i. Treasury Circular 965 – Regulations Governing Reporting of Information Relating Year-End Status and Closing of Appropriation and Fund Accounts
- j. GSA Form 2957 – Reimbursable Work Authorization
- k. Standard Form 182 – Request, Authorization and Certification of Training
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- a. ADS 302 – Direct Contracting
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- c. ADS 306 – Interagency Agreements
- d. ADS 331 – Small and Micro Purchases in USAID/W
- e. ADS 350 – Grants to Foreign Governments
- f. ADS 502 – The USAID Records Management System (specifically the Records Disposition Schedule and General Records Schedule, **Appendix 6B, Chapter 35**)
- g. ADS 519 – Building Services
- h. ADS 522 – Performance of Temporary Duty Travel in the U.S. and Abroad
- i. ADS 601 – Funding Source Policy
- j. ADS 602 – Forward Funding
- k. ADS 603 – Forward Funding, Non-Program Funds
- l. Form AID 2-2 – Participating Agency Service Agreement
- m. Form AID 5-8 – Request and Authorization of Official Travel
- n. Form AID 7-7 – Miscellaneous Obligations
- o. Form AID 240-2 – Resources Support Service Agreement
- p. Form AID 530-3 – Credit Card Purchases Transaction Form
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## **ADS Chapter 621: OBLIGATIONS (Formerly ADS 571)**

### **621.1 OVERVIEW**

This chapter provides the policies and procedures for the [obligation](#) and management of funds appropriated to the Agency. It incorporates statutory requirements and Federal guidelines to ensure that USAID obligations are valid and managed in accordance with sound financial management principles.

### **621.2 PRIMARY RESPONSIBILITIES**

#### **1. Office of the Chief Financial Officer (CFO)**

- a. Develop and maintain an integrated financial management system that meets Federal financial system requirements.
- b. Provide annual certifications to the Department of Treasury on the validity of USAID obligations incurred each fiscal year.
- c. Monitor and report to the Department of Treasury on the Agency's pipeline.
- d. Develop financial management policies and procedures.

#### **2. Assistant Administrators and Independent Office Directors**

- a. Provide annual certifications to the CFO on the validity of USAID/Washington obligations incurred by the Bureau.
- b. Provide a certification as part of the annual budget process regarding the status of unexpended balances in USAID/Washington obligations.
- c. Ensure that effective procedures are in place for the management of Bureau obligations.

#### **3. Mission Directors**

- a. Provide a certification as part of the annual budget process regarding the status of unexpended balances in mission obligations.
- b. Ensure that effective procedures are in place for the management of mission obligations.

**4. Bureau for Management Office Directors with Obligating Authority**

Provide an annual certification to the CFO on the validity of obligations incurred by the Office.

**5. Mission Controllers**

- a. Provide an annual certification to the CFO on the validity of mission obligations.
- b. Record mission [commitments](#) and obligations in the accounting system.
- c. Maintain official files and related documentation for mission obligations.

**6. Bureau for Management, Office of Budget (M/B)**

- a. Provide Agency policy and procedures on forward funding and funding sources. (See [ADS 601](#), [602](#), and [603](#))
- b. Monitor the Agency's pipeline levels in relation to budget planning.

**7. Obligating Officials**

- a. Obligate Agency funds, ensuring that obligations conform to the applicable regulatory requirements.
- b. In USAID/W, record obligations in the procurement system or accounting system. In field missions, provides documentation to the Mission controller for entry into the accounting system.
- c. Deobligate excess balances at the request of the [Obligation Managers](#).
- d. In field missions and for awards obligated outside of the Bureau of Management, Office of Procurement (M/OP) in USAID/W, ensure administrative closeout of awards and [deobligation](#) of any residual balances.
- e. In USAID/W, maintain the official file for obligating documents and supporting documentation.

**8. Bureau of Management, Office of Procurement, Overhead, Special Costs and Close-out Branch (M/OP/PS/OCC)**

Process contract/award closeouts for awards issued by M/OP and ensure deobligation of residual balances.

## **9. Obligation Manager**

- a. Develop budgets and other documentation that serves as the basis for the obligation of Agency funds.
- b. Ensure that obligations are consistent with Agency forward funding guidelines.
- c. Continuously monitor obligated funds and request deobligation at any time that funds are found to be more than that necessary to carry out activities.
- d. In USAID/W, monitors accrual schedules and makes adjustments at least quarterly to reflect actual rates of expenditure. In field missions, develop accruals based on guidance of mission controller.
- e. Administratively approve advances and/or payment vouchers.

### **621.3 POLICY AND PROCEDURES**

The statements contained in the .3 section of this ADS chapter are the official Agency policies and corresponding procedures.

#### **621.3.1 Valid Obligations**

A valid obligation is (1) supported by written evidence; (2) for a purpose authorized by law; (3) executed by an individual who is authorized to incur an obligation; (4) required to fill a bonafide need in the [period of availability](#) of the appropriation or fund used; and (5) executed during the period of availability of the funds. The validity of an obligation is determined at the time of its execution and is not affected by its status as either expired or excessive.

As set forth in U.S. Code, Title 31, Section 1501(a), “no amount may be recorded as obligation unless supported by documentary evidence of:

- a. A binding agreement between the Agency and another person or entity (including an Agency or government) that is:
  - 1. In writing, in a way and form, and for a purpose authorized by law;
  - 2. Executed before the end of the period of availability for obligation of the appropriation or fund used.
  - 3. For specific goods to be delivered, real property to be bought or leased, or work or services to be provided.
- b. A loan agreement showing the amount and terms of repayment.

- c. An order required by law to be placed with the Agency.
- d. An order issued under a law authorizing purchases without advertising:
  - 1. When necessary because of public exigency;
  - 2. For perishable subsistence supplies, or
  - 3. Within specific monetary limits.
- e. A grant or subsidy payable:
  - 1. From appropriations made for payment of, or contributions to, amounts required to be paid in specific amounts fixed by law or under formulas prescribed by law;
  - 2. Under an agreement authorized by law; or
  - 3. Under plans approved consistent with and authorized by law.
- f. A liability that may result from pending litigation.
- g. Employment or services of persons or expenses of travel under the law.
- h. Services provided by public utilities.
- i. Any other legal liability against an available appropriation or fund.” ([See 31 USC Sec. 1501](#))

### **621.3.2 Commitment of Funds**

Commitments or subcommitments must be established to set-aside funds prior to obligation or subobligation. In USAID/W, funds must be committed in the procurement or accounting system by designated program managers. Funds for mission obligations must be committed or subcommitted by the controller or his/her designee.

### **621.3.3 Types of Obligations and Documentary Evidence**

The most common types of obligations and subobligations, as well as the minimum documentation required to establish each as a valid obligation, are outlined below. Each obligating document must be signed by an authorized individual. This list is not intended to be all-inclusive. Questions regarding other obligating documents and the minimum documentation required to establish a valid obligation may be directed to the Office of the Chief Financial Officer.

- a. Grants to Foreign Governments – A grant by USAID to a foreign government may take the form of a Strategic Objective Agreement, Limited Scope Agreement, Commodity Import Program Grant, or Cash Transfer Grant. The minimum documentation required to establish validity is the grant agreement. The grant agreement must be signed by both parties to be an obligation unless the major purposes, funding, and terms and conditions are settled. In this case, only a USAID signature is required. **(See [ADS 350 – Grants to Foreign Governments for more information on grants to foreign governments](#))**
- b. Assistance Awards to Non-Governmental Organizations – Assistance to non-governmental organizations may be provided in the form of a grant or cooperative agreement. The minimum documentation required to establish validity is the grant agreement or cooperative agreement. Only a USAID signature is required for an assistance award to be an obligation unless there are major issues that are unresolved between USAID and the grantee, in which case both parties must sign the award. **(See [ADS 303 – Grants and Cooperative Agreements for more information on assistance awards to non-governmental organizations](#))**
- c. Contracts - A contract for the purchase of supplies or services may take the form of awards and notices of awards, job orders or task letters issued under basic ordering agreements, letter contracts, fixed price contracts, cost-reimbursable contracts, purchase orders, etc. The minimum documentation required for a valid obligation is the contractual document signed by both parties. **(See [ADS 302 – Direct Contracting for more information on contracts](#))**
- d. Interagency Agreements – An agreement with another Federal agency may be in the form of a Resources Support Service Agreement (RSSA), Participating Agency Service Agreement (PASA) or a Non-RSSA/PASA Interagency Agreement. The minimum documentation required for a valid obligation is the Form AID 2-2 (PASA), Form AID 240-2 (RSSA) or an interagency agreement signed by both parties. **(See [ADS 306 – Interagency Agreements for more information on interagency agreements](#) and see [Form AID 2-2](#) and [Form AID 240-2](#))**
- e. Procurement Authorization (PA) – The PA is used to obligate ocean and inland freight. The minimum documentation for a valid obligation is the form AID 1160-4, Procurement Authorization. **(See [Form AID 1160-4](#))**
- f. Travel Authorization – Official travel and transportation expenses for the movement of effects are obligated with Form AID 5-8, Request and Authorization of Official Travel. The minimum documentation required for a valid obligation is the AID 5-8. **(See [ADS 522 – Performance of Temporary Duty and Travel in the U.S. and Abroad](#) for more information on travel and see [Form AID 5-8](#))**

g. Training – Employee training through an external vendor is authorized on Standard Form 182, Request, Authorization and Certification of Training. The minimum documentation required for a valid obligation is the Standard Form 182. **(See [Standard Form 182](#))**

h. U.S. Government Bill of Lading – The bill of lading may be used to obligate funds for the shipment of things (except shipment of employee household effects or privately owned automobile for which the travel authorization is the obligating document). The minimum documentation required for a valid obligation is the Standard Form 1103, Government Bill of Lading. **(See [Standard Form 1103](#))**

i. Credit Card Purchases - Purchases on the Government Purchase Authorization Card are obligated on AID 530-3, Credit Card Purchases Transaction Form. The minimum documentation required for a valid obligation is the AID 530-3. **(See [ADS 331 – Small and Micro Purchases in USAID/W for more information on credit card purchases](#) and see [Form AID 530-3](#))**

j. Building Services – Funds are obligated for building services provided by the General Services Administration on a GSA Reimbursable Work Authorization (Form 2957). The minimum documentation required to establish validity is the GSA Form 2957. **(See [ADS 519, Building Services](#) for more information on building services, and see [Form 2957](#))**

k. Miscellaneous Obligations – The Miscellaneous Obligor Document (Form AID 7-7) may be used to record obligations of a recurring and/or continuing nature, such as communication services, public utilities and rent. It is also used for costs such as interest penalty payments, taxis, dispatch agent obligations, interpreter services or training services from another government agency. Some miscellaneous obligations are based on other agreements, such as for ICASS services. The minimum documentation required for a valid obligation is the Form AID 7-7. **(See [Form AID 7-7](#))**

#### **621.3.4 Authority to Incur Obligations**

Only individuals who have delegated authority may incur obligations on behalf of the Agency. Obligations incurred by unauthorized individuals may result in personal liability. The delegations of authority to obligate USAID funds are provided in the automated directives system, AIDAR, mission orders, position descriptions, and other sources of authorities. **(See [ADS 103](#))**

#### **621.3.5 Recording Obligations**

Once the required documentary evidence is complete as outlined in 621.3.1 and 621.3.3, obligations must be promptly recorded by the **[obligating official](#)** or the mission controller in procurement system or the accounting system. Obligor officials must



ensure the availability of funds, use of the proper appropriation account and the integrity of data recorded in the systems.

### **621.3.6 Estimated Obligations**

Obligating officials must use the best possible estimate to establish an obligation if the final amount of the obligation is not known at the time it is incurred. An upward adjustment or deobligation must be made when the actual amount is determined.

Where an estimate is used, the basis for the estimate and the computation must be documented and retained as part of official Agency record.

### **621.3.7 Annual Certification of Obligations**

Assistant Administrators, Management Bureau Office directors (with obligating officials in the Office), independent Office directors (with obligating officials in the office), and Mission Controllers must ensure that obligating documents meet the criteria for valid obligations. These individuals must provide an annual certification to the CFO regarding the obligations incurred during the fiscal year. The certification must state the following where all obligations are recorded:

“I certify that all (Bureau, Office, or Mission) obligations incurred during the fiscal year are (1) consistent with the requirements of ADS 621.3.1 and 31 U.S.C. 1501a; (2) have been recorded in the Agency accounting or procurement system; and (3) are supported by adequate records maintained in accordance with Agency guidelines for record retention.”

In the event that an obligation is not recorded in the accounting or procurement system before the end of the fiscal year, the certification must be qualified and a list of the unrecorded obligations must be provided as an attachment. This listing must include the obligation number, the date signed, fund account and allowance, amount obligated and the reason it is not recorded in the accounting system. The qualified statement would read as follows:

“I certify that, with the exception of the obligations noted in the attachment, (Bureau, Office, or Mission) obligations incurred during the fiscal year are (1) consistent with the requirements of ADS 621.3.1 and 31 U.S.C. 1501a; (2) have been recorded in the Agency accounting or procurement system; and (3) are supported by adequate records maintained in accordance with Agency guidelines for record retention.”

Assistant Administrators must certify only those funds obligated in USAID/Washington. USAID/Washington certifications must be submitted to the CFO by October 20 of each year. Mission controllers must certify Mission obligations on the U101 report (Summary of Budget Allowance Ledger Transactions and Reconciliation With Disbursing Officer Accounts) due no later than 12 days after the end of the fiscal year.

### **621.3.8 Forward Funding**

Obligations must be consistent with Agency forward funding guidelines as outlined in ADS 602, Forward Funding Policy – Program Funds and ADS 603, Forward Funding Policy – Non-Program Funds. Obligor officials must ensure that approvals to deviate from the forward funding policy are documented and maintained in the official file along with obligating documents. (See [ADS 602](#) and [ADS 603](#))

### **621.3.9 Deobligations**

Obligated funds must be deobligated when a determination is made that the funds are no longer needed for the purposes for which they were obligated or the funding exceeds forward funding guidelines without proper authorization. The funds must generally be deobligated by the obligator official. In limited cases, such as with balances from travel authorizations, other individuals may be delegated authority to deobligate funds.

Funds deobligated within the initial period specified in the annual [appropriations act](#) remain available for new obligations within the period.

[Section 511](#) of USAID's annual appropriations act has contained a provision that funds appropriated for the purposes identified in Section 511 remain available until expended if initially obligated before the expiration of the respective periods of availability contained in the Act. When deobligated the funds remain available for on-going requirements consistent with the purposes specified in the appropriations act. Section 511 availabilities must be apportioned and follow the normal funds control process prior to reobligation. The Section 511 authority must be renewed annually unless otherwise specified in the appropriations act.

### **621.3.10 Upward Adjustments of Obligations**

An upward adjustment of an obligation may be made from current-year or prior year funds based on the following criteria:

#### **a. Current-Year Appropriation**

An upward adjustment in a current-year obligation is authorized to the extent that

1. There is a lawful need for the increase;
2. Funds for the purpose are available; and
3. Appropriate program approval has been received.

An upward adjustment may require an amendment to the original obligating document. Obligations, such as travel orders and purchase orders for freight,

are recorded on the basis of an estimate. As more precise data becomes available, the obligation may be adjusted without amending the original obligating document unless there has been a change in the scope (e.g., additional travel days, additional stops, etc.). The obligating official must be consulted regarding the need for an amendment if the initial obligation was not recorded on the basis of an estimate.

b. Prior Year Appropriation

Appropriations that were not obligated during the initial period of availability specified in the annual appropriations act (commonly referred to as [expired accounts](#)) remain available for an additional five fiscal years beyond expiration.

Expired accounts may be used for upward adjustments in instances where the original obligation was recorded on the basis of an estimate, such as with travel, or the increased cost would have constituted a valid obligation if it had been known during the fiscal year in the original obligation was incurred. Unobligated prior year funds may not be used to cover the cost of a change in scope, such as additional goods or services.

Cost increases for goods or services under a Strategic Objective Agreement (SOAG) may not be treated as an upward adjustment of a prior-year obligation since the total amount set forth in the SOAG is the maximum monetary contribution the United States is obligated to make. Additional services or materials required to complete the activities must be provided for in current year funds.

The Office of Financial Management, Central Accounting and Reports Division (M/FM/CAR), must be consulted to determine the availability of prior year unobligated funds for upward adjustments.

It may be necessary to use Section 511 recoveries for upward adjustments. Missions are authorized to record prior year upward adjustments to the extent that offsetting deobligations can be generated against the same budget allowance within the same accounting period. M/FM/CAR must be consulted if the upward adjustment will exceed available offsets.

### **621.3.11 Operating Under a Continuing Resolution**

The purpose of a [Continuing Resolution \(CR\)](#) is to allow for the continued operation of the Agency at the beginning of a new fiscal year until a new appropriation is passed by Congress and becomes law. Specific guidance on the obligation of funds during a continuing resolution will be provided by the Bureau for Management, Office of Financial Management (M/FM).

### **621.3.12 Management of Obligations**

Unliquidated obligations must be monitored to ensure that the level of funding is consistent with Agency forward funding guidelines and that balances are deobligated when no longer needed for the purposes for which they were initially obligated. A careful review of unliquidated obligations strengthens the Agency's internal controls by deleting balances from the accounting system that are no longer required for future payments and helps to identify funds that can be reprogrammed for current requirements. In addition, the review supports the Agency's formal year-end certification to the Department of Treasury.

Obligation managers must continuously review the status of obligated funds and request deobligations whenever funds are found to be in excess of that needed to accomplish activity objectives. The contract/assistance officer must record deobligations in the procurement system and the obligating official or individuals with delegated responsibility must record deobligations in the USAID/Washington accounting system. Mission controllers will generally record deobligations in the Mission accounting system.

Mission controllers and designated Offices in USAID/Washington must coordinate an annual review of obligation balances to verify that excess balances have been identified and deobligated.

### **621.3.13      Circumstances Which May Result in Excess Funding**

In conducting reviews of obligations to identify funds that must be deobligated, obligation managers and others involved in the review process should consider the following circumstances that could result in excessive or unneeded obligation balances.

- a.      Where the activity budget exceeds what is necessary to meet activity objectives; for example:
  1.      When the originally planned activity has been or can be accomplished with less than the funds budgeted; the activity has been reduced in scope (modified, amended, restructured, terminated); the focus has changed; or the activity has been transferred to another activity and will not be carried out as planned.
  2.      When significant fund balances will remain at the completion date due to slow or non-implementation of activities and extending the date may be unjustified considering other priorities and the marginal benefits expected from continuing the activity.
- b.      Situations involving troubled and marginally progressing activities where:
  1.      The activity has gone off course and is no longer effective or is not meeting objectives;

2. The activity has had serious long standing (two years or more) implementation problems;
  3. Activity implementation progress is deemed to be excessively slow;
  4. Delays in implementation preclude achievement of the activity purpose;
  5. There have been extended delays in accomplishing initial implementation actions such as meeting conditions precedent or inability to reach agreement on final design of the activity;
  6. The activity is seriously under-achieving critical outputs such that the attainment of activity objectives appears unlikely;
  7. There has been an unfavorable change in the activity purpose assumptions;
  8. Mistaken environmental assumptions for the activity result in marginal progress or effectiveness;
  9. The cooperating country has failed to use the funds and provide required management attention to the activity;
  10. Demand for activity funds does not materialize to the degree and over the time frame envisioned in the activity agreement (especially applicable to private enterprise type activities);
  11. The activity is deemed unlikely to be sustained by the host country upon completion;
  12. The activity cannot be completed on time because of uncontrollable circumstances such as continuing hostilities in the activity area; and
  13. The activity no longer conforms to Agency policies and goals or country and sector strategy, and redesign of the activity proves unsuccessful or not worth the effort.
- c. The following situations may also reflect that remaining balances are no longer needed:
1. There is an unliquidated balance that has remained unchanged for 12 months or more and no evidence of receipt of services/goods during that same 12-month period.

2. A travel authorization was issued six months or earlier and a balance remains.
3. A private training vendor has not provided a bill within six months of training dates.
4. Funds remain on a miscellaneous obligating document (MOD) for more than 12 months after the planned completion date.
5. The final travel voucher for home service transfer allowances has been submitted and paid.

#### **621.3.14 Annual Certification of Unexpended Balances**

As part of the annual budget process, Assistant Administrators, independent Office directors and Mission directors must certify whether unexpended balances are necessary for on-going programs and the amount of funding is consistent with Agency policies on forward funding in ADS 602, Forward Funding and ADS 603, Forward Funding – Non-Program Funds. The certification must be in one of the following forms, whichever is applicable:

- a. “I have directed a review of unexpended obligation balances and hereby certify that the balances are needed in the activities for which they were obligated and that the amount of funding is consistent with Agency guidelines for forward funding.”
- b. “I have directed a review of unexpended obligation balances and identified funds that are either no longer needed in the activities for which they were obligated or inconsistent with Agency policies on forward funding. I hereby certify that steps have been taken to deobligate unneeded funds and that the budget request takes into consideration excess funding currently obligated so as to bring funding levels back into compliance with forward funding policies.”

The Bureau for Management, Office of Budget will include the certification requirement in the annual budget guidance.

#### **621.3.15 Documentation Retention**

Obligating officials in Bureaus, independent Offices and missions must ensure that files are maintained for obligating documents, supporting documentation and annual certifications. Documentation must be maintained and made available for audit purposes.

Unless otherwise specified, the appropriate Records Disposition Schedule requires that Obligating Documents be retained in place for three years after the period covered. Then, they are retired to storage and destroyed after six years and three months.

Mandatory References for ADS 502, Records Disposition Schedule USAID (Appendix 6B, Chapter 35), the Electronic Records Disposition Schedule, or General Records Schedule 7, provide details on the specific retention requirements.

\*(See [ADS 502.5.7](#) and the Mandatory References for [ADS 502](#), specifically the USAID/W and Mission Records Disposition Schedule and General Records Schedule).

### **621.3.16 External Reporting Requirements**

The CFO must certify to the Financial Management Service of the Department of Treasury that obligations incurred during each fiscal year are valid. The due date for the certification is established on an annual basis, but is generally during the month of November. The certification states the following:

“Pursuant to authority vested in me, I certify that the balances in each appropriation account of the Agency reflect proper existing obligations and that expenditures from the account since the preceding review were supported by a proper obligation of funds and otherwise meet the criteria of 31 USC 1501(A).”

### **621.4 MANDATORY REFERENCES**

#### **621.4.1 EXTERNAL MANDATORY REFERENCES**

- a. [31 U.S. Code 1108 – Preparation and Submission of Appropriations Requests to the President](#)
- b. [31 U.S. Code 1301 - Application](#)
- c. [31 U.S. Code 1341 - Limitations on Expending and Obligating Amounts](#)
- d. [31 U.S. Code 1501 – Documentary Evidence Required for Government Obligations](#)
- e. [31 U.S. Code 1502 – Balances Available](#)
- f. [31 U.S. Code 1552 – Procedures for Appropriation Accounts Available for Definite Periods](#)
- g. [31 U.S. Code 1554 – Audit, Control and Reporting](#)
- h. [OMB Circular A-34 – Budget Execution](#)
- i. [Treasury Circular 965 – Regulations Governing Reporting of Information Relating Year-End Status and Closing of Appropriation and Fund Accounts](#)

- j. [GSA Form 2957 – Reimbursable Work Authorization](#)
- k. [Standard Form 182 – Request, Authorization and Certification of Training](#)
- l. [Standard Form 1103 – Government Bill of Lading](#)

**621.4.2 INTERNAL MANDATORY REFERENCES**

- a. [ADS 302 – Direct Contracting](#)
- b. [ADS 303 – Grants and Cooperative Agreements](#)
- c. [ADS 306 – Interagency Agreements](#)
- d. [ADS 331 – Small and Micro Purchases in USAID/W](#)
- e. [ADS 350 – Grants to Foreign Governments](#)
- f. [ADS 502 – The USAID Records Management System \(specifically the Records Disposition Schedule and General Records Schedule, Appendix 6B, Chapter 35\)](#)
- g. [ADS 519 – Building Services](#)
- h. [ADS 522 – Performance of Temporary Duty Travel in the U.S. and Abroad](#)
- i. [ADS 601 – Funding Source Policy](#)
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- q. [Form AID 1160-4 – Procurement Authorization](#)

**621.5 ADDITIONAL HELP - N/A**



## **621.6            DEFINITIONS**

### **Appropriations Act**

A statute, under the jurisdiction of the House and Senate Committees on Appropriations, that generally provides legal authority for Federal agencies to incur obligations and make payments out of the Treasury for specified purposes. (Chapter 621)

### **Commitment**

An administrative reservation of funds in anticipation of their obligation. (Chapter 621)

### **Continuing Resolution (CR)**

A CR is an "appropriation" for the entire fiscal year(s), pending enactment of a regular appropriation, but subject to time limitations as to how long it remains in effect (Chapters 603 and 621)

### **Deobligation**

The cancellation or downward adjustment of a previously recorded obligation. (Chapter 621)

### **Expired Account**

An appropriation or fund account in which the balance is no longer available for incurring new obligations because the time available for incurring such obligations has expired. Expired accounts are maintained by fiscal identify for five years. During the five-year period, obligations may be adjusted if otherwise proper and outlays may be made from these accounts. (Chapter 621)

### **Obligation**

A term of appropriations law that means some action that creates a definite commitment which creates a legal liability of the Government for the payment of funds for specific goods or services ordered or received. It includes a range of transactions – e.g., contracts, grants, loans, guarantees, wages and travel. (Chapter 621)

### **Obligation Manager**

The individual responsible for managing a specific obligation. The obligation manager may be the cognizant technical officer, activity manager, strategic objective team leader, executive officer or others. (Chapters 603 and 621)

**Obligating Official**

USAID officials with the delegated authority to sign obligating documents. This includes the authority to negotiate, execute, amend and administer agreements obligating USAID funds. The obligating official may be an agreement officer, contracting officer, executive officer, assistant administrator, deputy assistant administrator or others. (Chapter 621)

**Period of Availability**

The timeframe specified in the Appropriations Act during which new obligations may be incurred. (Chapter 621)

**Section 511**

A section of the annual Foreign Operation, Export Financing and Related Program Appropriations Act which provides that certain appropriations are available until expended if funds are initially obligated before expiration of the their period of availability. (Chapter 621)

**Unliquidated Obligation Balance**

An amount which has been obligated, but not disbursed/expensed and remains as either uninvoiced and/or unpaid. (Chapter 621)

**Unobligated Balance**

The portion of obligational authority that has not yet been obligated. Unobligated balances whose period of availability has expired are not available for new obligation. (Chapter 621)

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